



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF)
ECONODIAL, LLC FOR AUTHORITY)
TO PROVIDE LOCAL EXCHANGE)
TELECOMMUNICATIONS SERVICES THROUGHOUT)
THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE03090700

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and by letter dated September 4, 2003, Econodial, LLC ("Petitioner" or "Econodial") filed a Petition with the Board of Public Utilities ("Board") requesting authority to provide local exchange telecommunications services throughout the State of New Jersey.

Econodial was incorporated under the laws of the State of New York on December 11, 2001. Petitioner's principal offices are located at 3611 Fourteenth Avenue, Brooklyn, New York 11218.

Petitioner submitted copies of its Articles of Incorporation and New Jersey Certificate of Good Standing. According to the Petition, Econodial seeks authority to operate as local exchange and interexchange telecommunications services to both business and residential customers on a resale and facilities-based on unbundled network elements platform basis. Petitioner states that these services may include, but are not limited to: (A) Local exchange services that will enable customers to originate and terminate local calls in the local calling area served by other local exchange carriers ("LECs"). (B) Switched local exchange services such as flat-rated and measure-rated local services, vertical services, and any other switched local services that currently exist or will exist in the future. (C) Digital subscriber line, ISDN, frame-relay, and other high capacity line services. (D) Centrex or centrex-like services that currently exist or will exist in the future. (E) Non-switched local services (e.g., private line) that currently exist or will exist in the future. (F) Ancillary Services (911, directory listing, directory assistance, etc.). Petitioner further states that it is currently authorized to provide interexchange services in Arizona, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island,

South Carolina, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin. Petitioner further states that it has not been denied authority to provide telecommunications services in any state nor had its authority revoked in any jurisdiction. Petitioner also states that it is authorized to provide local service in Montana, New York, Vermont and Wisconsin, and is in the process of obtaining such authority throughout the United States.

According to the Petition, Petitioner intends to provide resold local exchange service and to purchase unbundled network elements ("UNE-P) for the provision of local exchange services utilizing the facilities of incumbent LECs. Petitioner plans to provide voice and high speed data services through a combination of the latest technology switching and transport media comprised of the Lucent Technology 5 ESS generic 13 switch module, ADSL/SDSL transport and internet service equipment and the latest optical multiplexer DAC's configurations. Petitioner's switching system consists of a central processing and control complex capable of interconnection as a peer to the incumbent as well as competitive local exchange companies. The hub portion of the switch will interconnect with the public switched network on signaling, control and calling/caller information to the network in accordance with network standards and specifications. These services will be delivered over a combination of delivery mechanisms through incumbent local carriers' unbundled loop network, both copper and fiber and transport networks as well as via Petitioner constructed facilities. Petitioner also states that it will employ a combination of its own equipment and facilities purchased from other entities in providing the proposed services. Petitioner states that it will combine switchless resale, leasing of local loops in conjunction with Petitioner's, owned switching and purchasing unbundled network elements from Verizon. Petitioner plans to provide basic telephone services, and features such as call waiting, call forwarding, speed dialing, distinctive ringing, and three-way calling to business and residential customers. Petitioner will also offer operator services, 911 and E911 service, directory listing, and third party calling arrangements as well as local calling services and per use services such as call return and redial. The toll-free number for local customer service is 1-888-958-6300. Petitioner's registered agent and registered office is: National Corporate Research Ltd., 14 Scenic Drive, Dayton, New Jersey 08810.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8, N.J.A.C. 14:1-4.3 and 14:10 -1.16, which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in Brooklyn, New York. Petitioner states, upon written notice from the Board, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records. Petitioner further states that its Petition does not require confidential treatment.

Petitioner asserts that expedited approval of its Petition will facilitate bringing the benefits of full competition to all New Jersey consumers, including an enhanced range of telecommunications services and an increase in consumer choices. Petitioner states approval of petition will serve the public interest.

Petitioner states that as evident from the information contained in Exhibit B, Petitioner has all of the qualified personnel to provide competitive local exchange services, including accounting, engineering, sales, and all other personnel required for Petitioner to provide services.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical, and managerial integrity.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to "provide diversity in the supply of telecommunications services" and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Econodial, LLC'S Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange telecommunications services throughout New Jersey subject to approval of its tariff and submission of pro forma financials for its New Jersey operations. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60, and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and the Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

The Board HEREBY ORDERS that:

- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N.J.S.A. 48:2-16.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year.
- 3) Pursuant to N.J.S.A. 48:2-59 and 48:2-60, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 the following year.

On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each

year. The annual report and statement of gross intrastate revenues from operations form is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.

DATED: 2/19/04

BOARD OF PUBLIC UTILITIES
BY:

(SIGNED)

JEANNE M. FOX
PRESIDENT

(SIGNED)

FREDERICK F. BUTLER
COMMISSIONER

(SIGNED)

CAROL J. MURPHY
COMMISSIONER

(SIGNED)

CONNIE O. HUGHES
COMMISSIONER

(SIGNED)

JACK ALTER
COMMISSIONER

ATTEST:

(SIGNED)

KRISTI IZZO
SECRETARY

IN THE MATTER OF THE PETITION FOR AN ORDER AUTHORIZING
ECONODIAL, LLC TO PROVIDE COMPETITIVE
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
THROUGHOUT THE STATE OF NEW JERSEY

DOCKET NO. TE03090700

SERVICE LIST

Serial No.	<u>Name and Address</u>	Serial No.	<u>Name and Address</u>
1	Petitioner's Contact Person: David Biniachvili, CEO Econodial, LLC 3611 Fourteenth Avenue Brooklyn, New York 11218	4	Board's Staff: Walter Szymanski, Director Division of Audits Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
2	Petitioner's Attorney: Kenneth Saffren, Esq. 1874 East Marlton Pike (Route 70) Suite 3 Cherry Hill, New Jersey 08003	5	Board's Staff: Anthony Centrella, Director Division of Telecommunications Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
3	Ratepayer Advocate: Seema M. Singh, Esq. Acting Director and Ratepayer Advocate Division of Ratepayer Advocate 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, New Jersey 07101	6	Deputy Attorney General: Alex Moreau Department of Law & Public Safety Division of Law 124 Halsey Street, 5 th floor P.O. Box 45029 Newark, New Jersey 07102